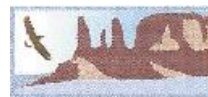




State of Utah

Utah Navajo Trust Fund



UNTF Board of Trustees and the Dine' Advisory Committee (Combined) Meeting

Friday, April 29, 2016 10:00 am - 5:00pm

UNTF Conference Room, Blanding, UT

MEETING MINUTES OF THE UNTF DINE' ADVISORY COMMITTEE AND UNTF BOARD OF TRUSTEES

I. CALL MEETING TO ORDER:

- a. Chair Melvin Capitan called the Dine' Advisory Committee meeting to order at 10:02 a.m.
- b. Chair David Damschen called the Board of Trustees meeting to order right after committee's call to order.

- c. Roll Call: Ryan Benally conducted the roll call; five members were present and a committee quorum was formed. All members were present by 10:43 am.

✓	Melvin Capitan, Chair, Aneth	✓	Jerrica Maryboy, Mexican Water
✓	Ryan Benally, Vice Chair, Red Mesa	✓	Alfred Myerson, Oljato-Dennehotso
✓	Wyona Atene, Secretary, Oljato-Denn	✓	Stanley Nez. Blue Mtn Dineh Comm.
✓	Jamie Harvey, Aneth	✓	Henry Stevens, Naastsis'Aan

- a. Roll Call: ✓ David Damschen ✓ John Reidhead ✓ Ken Matthews
All board members were present and a quorum was formed.

b. Recognition of Guests

1. Thom Roberts, Office of the Utah State Attorney General
2. Allen Rollo, Office of the Utah State Treasurer
3. Tony Dayish, UNTF Administrator
4. Maury Bergman, UNTF Financial Manager
5. Dorothy Phillips, UNTF Education Specialist
6. Melinda Blackhorse, UNTF Projects Specialist
7. Lynn Stevens, private citizen
8. Charlie DeLorrme, San Juan County Economic Development Specialist
9. Tim Chamberlain, Small Business Development Center Director
10. Liz Foreman, Director, Strategic Partnerships, EverFi.com
11. Clarence Rockwell, Exec. Director, Navajo Utah Commission

II. REVIEW & APPROVAL OF AGENDA

The committee and the board previously reviewed the proposed agenda for today's combined meeting and approved it by acclamation.

III. REVIEW & APPROVAL OF MINUTES

- a. April 08, 2016 Dine' Advisory Committee Meeting – Aneth Chapter House
Stanley Nez motioned to approve the minutes, 2nd by Alfred Myerson, Vote: 5-0.
- b. April 12, 2016 Board of Trustees – Teleconference
John Reidhead motioned to approve the minute, 2nd by Ken Matthews, Vote: 3-0.

IV. OLD BUSINESS - None

V. NEW BUSINESS

- a. New Family Dollar Store Proposal Greg Wall, Leading Tech Development, Perry, UT
Mr. Wall presented a presentation to establish a Family Dollar store in Montezuma Creek on UNTF-owned land with two options.

Option 1 is to have Family Dollar develop the property, construct the store building, parking lot, and utilities, hire the staff, stock the store, and operate the store. UNTF would purchase the store for \$1.4 million and Family Dollar forecasts that UNTF would realize a Capitalization Rate of 6.25% return on their investment. Family Dollar would pay an annual lease payment of \$85,843 for the first 10 years with 10% rent escalations for each successive 5-year renewal after that, Family Dollar proposes to stay in the building for 15 years with a beginning lease term of 15 years and six 5-year renewal options after that. Family Dollar will pay the three “nets” of taxes, insurance, and maintenance. UNTF would pay for the major structural or mechanical or building issues. UNTF would still have the residual value of the land and the building and improvements.

Option 2 is similar to Option 1 except that the land and the whole deal to an Independent Investor. UNTF will not own the land and building and improvements at the end. In effect, this option would be to sell the land to Family Dollar and their investors.

Both the Committee and the Board decided to study the issue further and make a decision later on.

- b. FY-17 UNTF Annual Budget Maury Bergman

Mr. Bergman presented the proposed UNTF Annual Budget for FY-2017. Due to the length of time it took to convert the UNTF policies into Administrative Rules, the funding for Chapter Projects in the amount of \$1.3 million was not used in FY-16 and will be placed in the FY-17 budget. The Admin. Rules for the UNTF Higher Education Program for college financial assistance and scholarships (CFAS) allows increases in the maximum amount per semester to be authorized in UNTF annual budgets. The UNTF administration reported that the CFAS amount had not be changed for the last four years and that in consultation with the Utah State Office of Education, the average increase in costs for Utah colleges was 3.5% per year.

The UNTF administration recommended raising the CFAS 3.5% per year for 4 years ($\$87.50 \times 4 / \350 increase), which would raise the new CFAS amount from \$2,500 per semester to \$2,850 per semester. The committee and board discussed this issue and recommended raising the amount to by \$400 so that the new CFAS amount is \$2,900 per semester.

The Dine’ Advisory Committee requested whether I-Pads can be purchased for the committee members so they can use it for committee meetings, storing and reviewing documents, and other business uses. The board members indicated they don’t see a problem with it.

Ryan Benally motioned to recommend approval of the UNTF FY-2017 Annual Budget as presented with amendment of the CFAS amount at \$2,900 per semester, placing the \$1.3 million Chapter Projects budget in the FY-2017 budget, and placing \$220,000 in the budget for Paving of the Parking Lot in the Northeast section of the Blanding GSB, 2nd by Stanley Nez, Vote: 8-0.

John Reidhead motioned to approve the UNTF FY-2017 Annual Budget as recommended in the DAC committee’s recommendation, 2nd by Ken Matthews, Vote: 3-0.

VI. REPORTS

- a. EverFi.com Presentation (teaching school kids computer-aided Financial Literacy & other life skills) Liz Foreman, Denver, CO

Ms. Foreman provided a powerpoint presentation of the services of EverFi.com. One of the components they have is on-line digital courses that are available to students in grades K-12. The modules include STEM Readiness (Science, Technology, Engineering, & Math), Financial Education, Diversity & Inclusion, Career Leadership & Success, and Health & Wellness. The modules can be taken and completed at the pace of the student. They feature digital education that is normally not taught in the public school systems but is essential for life skills.

Ms. Foreman mentioned that all students in the San Juan School District have taken these courses and that the School District endorses this program. Ms. Foreman alluded to requesting funding from UNTF but it was unclear on amount, intent, or a method. The committee and board requested for cost information but Ms. Foreman did not provide this information but said it would better to make a request at a later time.

- b. UNTF Annual Audit Hollie Andrus, Office of the Utah State Auditor

Hollie Andrus provided a report of the FY-2015 annual audit (fiscal year ending June 30, 2015) and reported that it was a clean audit. She reported that UNTF had no instances of non-compliance to Government Auditing Standards, however there were three findings to improve accounting procedures and practices.

One was to ensure that the financial statements are accurate when recording NRF expenditures and reimbursements to make sure they are recorded as "reduction in receivables" rather than recorded as "revenue".

Two was to ensure that NRF reimbursement requests are processed as expenditures are incurred rather than wait until it accumulates or the end of the fiscal year for one lump reimbursement.

And three was to ensure that two people open up mail that have checks in them.

UNTF responded that they would implement all the recommendations on all three findings.

- c. Investments David Damschen and Allen Rollo, Office of the State Treasurer

Mr. Damschen and Mr. Rollo provided a presentation of investments. One of the pieces of information needed to present an investment strategy for UNTF funds was whether or not the Dine' Advisory Committee and Utah Navajo would want part of the monies to be set up as an "endowment", meaning that an amount would be identified to always be re-invested for perpetuity and that possibly only the interest or a portion of the interest would be accessed in the future. The corpus of the endowment could be accessed in a future time if warranted and really necessary.

After discussion by the Dine' Advisory Committee members of the endowment regarding advantages and disadvantages, amount to invest in endowment, the Committee recommended that Yes, they would want part of the UNTF monies to be set up as an endowment so that there would be funds still available for the younger Navajo generations. Jamie Harvey motioned to recommend to the State Treasurer that the entire amount in the Pelt Settlement Case PTIF, currently at \$26,495,688.23 to be set up as an Endowment, 2nd by Stanley Nez, Vote: 8-0.

The other UNTF funds could be set up to where the first \$10 million or so remains in the current PTIF investment so that it is liquid for the cash needs of the UNTF for college financial assistance, chapter project grants, administrative expenses, etc. The remaining \$20 million or so could be invested in a longer-term mid-range risk-and-return investment so that it is earning more than if it was to remain in PTIF.

Mr. Damschen indicated that his office would work on some investment scenarios with the recommendations in mind and bring the proposed plan back to the committee and the board for acknowledgement.

- d. UNTF Administrator Report Tony Dayish
 Mr. Dayish provided a report of the status of the UNTF policies being converted into Administrative Rules. Seven policies have completed the process and the rest are still in various stages of review, revision, and submittal to the Administrative Rules Division. The seven policies that are now rules are:
1. Definitions for UNTF Administrative Rules
 2. Residency Policy
 3. Higher Education College Financial Assistance and Scholarship Program
 4. Chapter Projects
 5. Housing Projects
 6. Blue Mountain Dine' Community Housing Projects
 7. Powerlines and House Wiring Projects
- Mr. Dayish also provided a current status report on the following major projects: Mexican Water Multi-Purpose Bldg No. 2 Project, Red Mesa Administration (Office) Building Project, Oljato Chapter House Demolition-Reconstruction-Renovation-Addition Project, and the Teecnospos Chapter House Roof Leak-Renovation Project.
- The DAC committee members indicated they need a Summary Report of the Policies and Rules so that they can report this to the Utah Navajo Chapters when they attend the monthly meetings.
- e. Higher Education Program Report Dorothy Phillips
 Ms. Phillips provided the College Financial Assistance and Scholarships Report. She reported that the balance of the UNTF share of the Endowment Fund at Utah State University-Eastern Blanding Campus is currently at \$4,424,033.52 of which UNTF can use \$58,825.77 for FY-17 for awarding eligible Utah Navajo students to attend USU-Eastern-Blanding campus. The committee and board requested for an in-depth report of the history of the partnership and performance of the Endowment Fund from USU-Eastern.
- f. Financial Report Maury Bergman
 Mr. Bergman provided the UNTF financial report. The UNTF Statement of Net Position as of March 31, 2016 is at \$68,792,900.84 consisting of Cash at \$1,748,448.06, PTIF investments at \$59,718,968.06, Receivables at \$50,049.67, Capital at \$7,273,963.59 and liabilities at -\$1,471.46.
- g. Projects Report Melinda Blackhorse
 After hearing the Housing Projects report, the committee and the board recommended that UNTF should structure a UNTF Housing Program that closely monitors the housing projects and utilizes various resources for training, CEU-Applied Science, Crownpoint Institute of Technology, and Volunteer Workgroups.

VII. ANNOUNCEMENTS

- a. June 2016 will be first UNTF board and committee meetings that will entertain UNTF funding proposals.
- b. David Damschen mentioned he will be in San Juan County around June 7, 2016 and he requested UNTF to set up a meeting with the outgoing San Juan School District Superintendent, Mr. Douglas Wright and possibly with the new Superintendent. Some of the DAC committee members will also attend along with Liz Foreman of EverFi.com.

VIII. DAC MEMBER TO ATTEND NEXT BOT MEETING

- a. June 17, 2016 UNTF Board Meeting (Aneth)
Hank Stevens motioned to have Alfred Myerson attend the Board of Trustees meeting in Salt Lake City on May 20, 2016, 2nd by Stanley Nez, Vote: 6-0.

- IX. A. NEXT DINE' ADVISORY COMMITTEE MEETING – Ryan Benally motioned to have the next DAC meeting on May 13, 2016 in Blanding, 2nd by Alfred Myerson, Vote: 8-0.
B. Next Board of Trustees Meeting – the next BOT meeting will be on May 20, 2016 starting at 8:30 a.m. in Salt Lake City.
- X. ADJOURNMENT
- a. Board of Trustees: Ken Matthews motioned to adjourn the board meeting at 4:08 p.m., 2nd by John Reidehead, Vote: 3-0.
- b. Dine' Advisory Committee: Alfred Myerson motioned to adjourn the committee meeting at 4:48 p.m., 2nd by Ryan Benally, Vote: 6-0.